



Legislation Details (With Text)

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Title: Consideration of a Resolution Approving Participation in Clean Power Alliance’s Reach Code Program for Building and Transportation Electrification and Grant Funding Opportunity, and Authorizing the City Manager to Execute an Agreement (No Budget Impact) (Acting Community Development Director Ryan Heise).
(Estimated Time: 30 Mins.)..Body
ADOPT RESOLUTION NO. 25-0016

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution No. 25-0016, 2. Agreement - Clean Power Alliance Reach Code, 3. PowerPoint Presentation

Date	Ver.	Action By	Action	Result
2/4/2025	1	City Council Regular Meeting		

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Talyn Mirzakhanian, City Manager

FROM:
Ryan Heise, Acting Community Development Director
Britny Coker-Moen, Environmental Programs Administrator

SUBJECT:
Consideration of a Resolution Approving Participation in Clean Power Alliance’s Reach Code Program for Building and Transportation Electrification and Grant Funding Opportunity, and Authorizing the City Manager to Execute an Agreement (No Budget Impact) (Acting Community Development Director Ryan Heise).
(Estimated Time: 30 Mins.) ADOPT RESOLUTION NO. 25-0016

RECOMMENDATION:
Staff recommends that the City Council consider adopting a resolution to approve the City’s participation in Clean Power Alliance’s Reach Code Program for Building and Transportation Electrification and grant funding opportunity.

FISCAL IMPLICATIONS:

Clean Power Alliance's Reach Code Program for Building and Transportation Electrification (Reach Code Program) is offered as a community benefit to the City at no additional cost. Should the City decide to participate, the City may receive \$12,500 in grant funding to offset staff time to coordinate with Clean Power Alliance and their contracted technical consultant, TRC Companies Inc. Grant funds are received after a proposed reach code ordinance has been presented to City Council for consideration, however, adoption of a reach code ordinance is not required to receive funds.

BACKGROUND:

The City of Manhattan Beach joined Clean Power Alliance (CPA) in 2017 to bring clean energy and local benefits to the City. CPA is a Community Choice Aggregation Joint Powers Authority that works with Southern California Edison to provide renewable energy to its members. CPA is comprised of 35 member cities and unincorporated county areas in Los Angeles and Ventura Counties. As a non-profit organization, CPA's revenues are reinvested back into their member's communities through no-cost programs and rebates, such as the Reach Code Program.

The City has the opportunity to participate in CPA's Reach Code Program at no-cost to receive technical assistance to support the development of reach codes. A reach code is a local building energy code that "reaches" beyond the State minimum requirements for energy use in building design and construction. Over 60 cities and eight counties in California have adopted reach codes addressing energy efficiency beyond State requirements in 2022-2024.

Every three years, the State of California updates Title 24 of the California Code of Regulations (California Building Standards Code). Cities and counties may choose to adopt standards that exceed the State minimum by adopting reach codes.

On September 3, 2019, the City Council directed staff and the now-dissolved Sustainability Task Force to discuss options and provide recommendations for increasing energy efficiency of new buildings through a reach code.

On October 19, 2021, staff presented the City Council with two options:

1. Continue with business-as-usual and do not increase energy efficiency requirements for new buildings; or
2. Increase energy efficiency standards above State requirements for new buildings as recommended by the Sustainability Task Force.

The City Council directed staff to continue with business-as-usual and to further explore and provide recommendations for a reach code addressing rooftop solar on new buildings, including municipal facilities.

On November 15, 2022, the City Council adopted the 2022 California Building Standards Code without increased energy efficiency requirements, which remains in effect until December 31, 2025.

DISCUSSION:

Since the City's adoption of the 2022 California Building Standards Code, there have been new developments with the Building Energy Efficiency Standards Code (Energy Code, or Part 6 of Title 24). On September 16, 2024, the California Energy Commission (CEC) adopted the updated 2025 Energy Code, which goes into effect January 1, 2026.

The CEC is the State's primary energy policy and planning agency. The CEC develops policy to reduce energy usage and costs, limit the environmental impacts of energy generation and use, and ensure a safe, resilient, and reliable supply of energy. Every three years, the CEC presents Energy Code updates for new construction and renovations to existing buildings. After the CEC adopts these standards, they are submitted to the California Building Standards Commission for approval and inclusion with other changes to the California Building Standards Code.

The Energy Code is designed to be cost-effective to ensure affordable implementation while helping California manage energy demand and advance the State's climate and clean-air goals. As standards require upgrades, such as better insulation and more effective climate control in buildings, the increases in energy efficiency reduce utility bills, while also improving comfort inside buildings. The 2025 Energy Code focuses on four key areas in newly constructed homes and businesses:

1. Expanding the use of electric heat pump technology for space and water heating, which consumes less energy and produces fewer emissions than gas-powered units;
2. Encouraging electric-ready buildings to set up owners to use cleaner electric heating and cooking;
3. Expanding solar photovoltaic (PV) system and battery storage standards to make clean energy available onsite and complement the State's progress toward a 100 percent clean electricity grid; and
4. Strengthening space conditioning system control standards and ventilation standards to improve indoor air quality.

The CEC publishes voluntary reach standards with model building code language for cities and counties that choose to adopt reach codes. Reach codes are an important tool for jurisdictions to meet their own climate goals. They allow jurisdictions to decide on standards that meet their specific needs and interests, so long as they also meet or exceed State code requirements.

CPA's Reach Code Program provides assistance to participating cities to develop local energy reach codes. To implement the Reach Code Program, CPA has contracted with TRC Companies Inc. (TRC), a technical consultant, who in partnership with CPA will provide technical support, model codes, community outreach, and other resources at no cost. By participating in CPA's Reach Code Program, City staff will work closely with CPA and TRC to evaluate and draft a reach code ordinance to exceed and enhance the 2025 California Building Standards Code and further explore building energy efficiency standards such as rooftop solar on new buildings and municipal facilities, as requested by the City Council in October 2021.

A potential reach code ordinance may include but is not limited to one or any of the following:

- Encouraging or requiring the use of electric appliances;
- Encouraging or requiring the use of electronic sources for space and/or water heating;
- Increased solar panel minimum requirements;
- Increased EV charging capacity requirements;
- Increased insulation and/or other air sealing methods; and
- More sustainable roofing material requirements.

To date, the Cities of West Hollywood, Beverly Hills, Ojai, Rolling Hills Estates, and Santa Monica have elected to participate in the Reach Code Program. Those cities mentioned are currently in the

code development stage. TRC and the participating cities are also planning for stakeholder engagement workshops and focus groups to help get stakeholder feedback to further refine potential proposed code changes.

Should the City choose to participate in the program, CPA and TRC will support City staff with education, research, and analysis of data to find the best potential code changes for City Council review and consideration. CPA and TRC will provide services to address areas that are outside City staff's expertise to provide, such as conducting a cost-effectiveness study. CPA and TRC will also research relevant local policies and stakeholders, provide on-call technical assistance, and assist with education at stakeholder events such as workshops and meetings. TRC will then incorporate community and stakeholder feedback to fine tune the model code.

Throughout this process, City staff will work closely with CPA and TRC to develop a reach code ordinance tailored specifically to the City's needs and goals. Results of TRC's analysis will be presented to the City Council for review and consideration, with recommendations for any potential code modifications. Potential code modifications must be presented to the City Council for consideration in order to receive the grant funds, however, implementation of recommended code modifications is not a requisite for receiving grant funds.

PUBLIC OUTREACH:

Prior outreach regarding energy efficiency and electrification of buildings and appliances occurred during the Mayor's Townhall on the Challenge of Climate Change in March 2020, with more than 100 residents in attendance. In addition, during a solar workshop in 2019 and Climate Ready MB public meetings in 2021, electrification of buildings paired with renewable energy has been discussed as a key action cities are taking to meet GHG reduction targets.

Should the City Council direct staff to proceed with the CPA's Reach Code Program, technical assistance provided will include stakeholder outreach and community engagement. Additionally, this item is identified on the City Council meeting agenda for February 4, 2025, which has been posted in accordance with applicable law.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

1. Resolution No. 25-0016
2. Draft Clean Power Alliance Reach Code Program Participation Agreement
3. Presentation